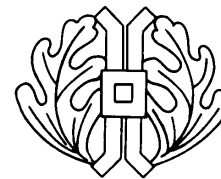


PREVENTIVE LAW SERIES

TELEMARKETING FRAUD



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There is a new and devastating type of fraud on the rise and it falls under the name of telemarketing fraud. We are all potential targets because almost everyone has a telephone. But if you can spot the fraud, you can protect yourself and your interests.

How do fraudulent telemarketing operators get my phone number?

Operators may get your phone number from a telephone directory, a mailing list or a "sucker list." A "sucker list" contains names, addresses, phone numbers and other information such as how much money an individual has spent on previous telemarketing solicitations. These lists are bought and sold by operators. Another way operators can get your number is through the use of direct mail. A consumer may get a letter or postcard saying that he/she has won a prize or contest and all you have to do is respond with certain information. If you do respond, then the operator has information and can contact you. The other popular way to get information from a consumer is when you, the consumer, place a call in response to a television, newspaper, or magazine advertisement.

How do fraudulent telemarketing operators disguise the fraud?

Operators disguise the fraud with offers of prizes which are worthless or overpriced, travel packages described as free or low-cost but have hidden costs, or "get rich quick" schemes. These "get rich quick" schemes are disguised as "investment opportunities." Examples are movies, cable television, Internet gambling, rare coins, and art. Lastly, operators may be able to defraud you by posing as charitable organizations soliciting contributions. Usually these organizations **sound like** well-know charitable organizations or law enforcement agencies but they will not send written information about their organization so you can check them out. If you fall victim to any of these scams, watch out for recovery scams in which an individual or representative, who knows you have fell victim to a scam, promises to get your money back. This is an easy way for a person to lose even more money.

How can you protect yourself?

- 1) Don't give in to pressure and make an immediate decision on the phone.
- 2) Don't give your credit card, checking account, or Social Security number to unknown callers.
- 3) Don't pay for something just because you will get a "free gift" in return.
- 4) Get all information in writing before you agree to buy something.
- 5) Check out a charity before you give. Ask for written information on the charity and ask how much of the donation actually goes to the charity.
- 6) Don't invest your money with an unknown caller.
- 7) If the offer is an investment, check with your state securities regulator to see if it is properly registered.
- 8) Don't send cash.
- 9) Make sure you know the per minute charge for any 900 number call you make.
- 10) Be cautious of statements that you've won a prize, especially if the caller says you must send money to claim the prize.
- 11) Don't agree to any offer where you have to pay a registration or shipping fee to receive a "prize."
- 12) Check out unsolicited offers with the Better Business Bureau, local consumer protection agency, or state Attorney General's Office before you agree to send money.
- 13) Beware of offers to "help" you recover money you may have lost previously.
- 14) Be wary of callers saying they are law enforcement officers who will help you get your money back for a fee.

The Telemarketing Sales Rule

The Federal Trade Commission's Telemarketing Sales Rule requires telemarketers to make certain disclosures and prohibits misrepresentations. It gives you the power to stop unwanted telemarketing calls and gives state law enforcement officers the authority to prosecute fraudulent telemarketers who operate across state lines. Telemarketers must tell you it's a sales call and who's doing the selling before they make their pitch. Calling times are restricted to the hours between 8 A.M. and 9 P.M.

The Federal Lottery Law

The Federal Lottery Law makes it illegal to operate a lottery through the mail or over the telephone. So if you receive a telephone call from someone making a pitch about a lottery, don't fall victim to the fraud.

Legal Assistance Appointments:

For an appointment to see a legal assistance attorney, please contact the Legal Assistance Office, located in Building 610, Naval Air Station North Island, by telephone at (619) 545-6278.

RESOURCES:

www.consumer.gov/knowfraud
kNOw Fraud
P.O. Box 45600
Washington D.C. 20026-5600
1-877-987-3728

www.ftc.gov
Consumer Response Center
Federal Trade Commission
Washington D.C. 20580
1-877-382-4357